

LNF & IHCIF Calculations Illustration

- CONSOLD THC in California area -

Given Data

- 2,382 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 55% = % Expenditures on purchased services, 45% = % expenditures in-house
- 109.6% = Cost index for purchasing health care in this geographic area
- 123.3% = Size cost index for in-house costs due to small or large size
- 95.9% = California area cost index for health status above or below average

Cost Adjustment Calculations

- \$1,797 per person for purchased services = $55\% * 109.6\% * \$2,980$
- \$1,654 per person for in-house services = $45\% * 123.3\% * \$2,980$
- \$3,450 per person total = \$1,797 (purchase) + \$1,654 (in-house)
- **\$3,310 per person total** adjusted for health status = $\$3,450 * 95.9\%$
- **\$2,565 per person net cost** = $\$3,310 - \745 Other resources (M&M&PI)

Existing Expenditures (for 2,382 users excluding wrap-around and collections)

- \$1,021 per person = local IHS allowance (excludes \$ for wrap-around)
- \$222 per person = expenditures elsewhere in California area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$1,296 per person for OU users** = $\$1,021 + \$222 + \$54$

LNF Calculation

- **39.2% Gross LNF** = $\$1,296$ (expenditures) / $\$3,310$ total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **50.5% Net LNF** = $\$1,296 / \$2,565$ net cost ($\$3,310 - \745 other)

IHCIF Allocation

- \$578,010 = \$ to raise LNF% from 50.5% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction = $\$9,000,000$ fund / $\$258,040,100$ needed
- **\$20,161 Allocation** = $\$578,010$ needed for 60% * 3.488% IHCIF fraction

CONSOLD THC Unmet Needs

- **\$6,109,461 Net Total Need** = 2,382 users * \$2,565 net cost
- **\$3,021,794 Net Unmet Need** = $(100\% - 50.5\% \text{ LNF}) * 2,382 \text{ users} * \$2,565 \text{ net cost}$